

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3425-01  
Bill No.: HB 1303  
Subject: Children and Minors: Division of Family Services  
Type: Original  
Date: February 12, 2002

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$13,822,549)	(\$28,654,686)
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>(\$13,822,549)</b>	<b>(\$28,654,686)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Federal Funds	\$0	(\$4,247,861)	(\$8,890,764)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>(\$4,247,861)</b>	<b>(\$8,890,764)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 5 pages.

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Social Services - Division of Family Services - Children's Services Unit (DFS-CSU)** provided an extensive calculation of the additional costs which cannot be re-produced in the fiscal note. However, **Oversight** will provide the following rates for a point of reference. Traditional daily foster care reimbursement rates for FY 02 for children ages 0 to 5 is \$10.75, for children ages 6 to 12 the rate is \$12.39, and for children ages 13 and above the rate is \$13.38 per day. Specialized foster care reimbursement rates are averaging \$21.60 per day for FY 02.

The DFS-CSU stated per the Department of Corrections (DOC), the cost of housing minimum-security prisoners is \$35.31 per day. The anticipated additional fiscal impact of this legislation, by year, would be:

FY 03	\$0
FY 04	\$14,028,603
FY 05	\$29,361,836
FY 06	\$46,093,994
FY 07	\$64,325,486
FY 08	\$84,163,208

The costs were split between state and federal funds at a rate of 69.7% state and 30.3% federal.

Officials from the **Department of Social Service - Division of Family Services - Income Maintenance Unit (DFS-IMU)** stated the Grandparents as Foster Parents (GAFP) program is paid using Temporary Assistance for Needy Family (TANF) funds. The DFS-IMU officials assumed all costs to be paid through the State General Revenue Fund since all TANF monies are obligated.

The DFS-IMU officials assumed that the number of children receiving GAFP as of November 2001 (2,321) would remain basically stable. GAFP payments are based on the child's age, but the average monthly payment is \$210.18. Daily GAFP rates are based on  $\$210.18 \times 12/365 = \$6.91$ .

Section 453,325, RSMo, requires that GAFP rates be 75% of the current Foster Care Maintenance rates.

This proposal would require the subsidy rates incrementally increase over a five-yea period until the Foster Care Maintenance rate is no less than the minimum rate used to house minimum security prisoners.

Calculations are based on projecting 75% of the FY 2002 Minimum Security Prisoners' daily

rate ASSUMPTION (continued)

and continuing at 75% of that rate assuming a 2.7% yearly cost-of-living-adjustment, then dividing the difference over five years.

Minimum Security Prisoner Per Diem	GAFP Per Diem	GAFP Children	Yearly Cost	Additional Yearly Costs per Proposal
FY 02 \$35.31	\$ 6.91	2,321	\$ 5,853,910	
FY 03 \$36.26	\$ 6.91	2,321	\$ 5,853,910	
FY 04 \$37.24	\$11.74	2,321	\$ 9,945,717	\$ 4,091,807
FY 05 \$38.25	\$16.57	2,321	\$14,037,524	\$ 8,183,614
FY 06 \$39.28	\$21.40	2,321	\$18,129,331	\$12,275,421
FY 07 \$40.34	\$26.23	2,321	\$22,221,138	\$16,367,228
FY 08 \$41.43	\$31.07	2,321	\$26,321,417	\$20,467,506

FISCAL IMPACT - State Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

**GENERAL REVENUE FUND**

Costs - Department of Social Services -  
 Division of Family Services -  
 Children's Services Unit

Increased Foster Care Reimbursements	<u>\$0</u>	<u>(\$9,730,742)</u>	<u>(\$20,471,072)</u>
Total <u>Costs</u> - Children's Services Unit	<u>\$0</u>	<u>(\$9,730,742)</u>	<u>(\$20,471,072)</u>

Costs - Department of Social Services -  
 Division of Family Services -  
 Income Maintenance Unit

Increased Foster Care Reimbursements - Grandparents as Foster Parents Program	<u>\$0</u>	<u>(\$4,091,807)</u>	<u>(\$8,183,614)</u>
Total <u>Costs</u> - Income Maintenance Unit	<u>\$0</u>	<u>(\$4,091,807)</u>	<u>(\$8,183,614)</u>

**ESTIMATED EFFECT ON  
 GENERAL REVENUE FUND**

<u>\$0</u>	<u>(\$13,822,549)</u>	<u>(\$28,654,686)</u>
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FISCAL IMPACT - State Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

**FEDERAL FUNDS**

Costs - Department of Social Services -  
Division of Family Services -  
Children's Services Unit

Increased Foster Care Reimbursements	<u>\$0</u>	<u>(\$4,247,861)</u>	<u>(\$8,890,764)</u>
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**ESTIMATED EFFECT ON  
FEDERAL FUNDS**

<u>\$0</u>	<u>(\$4,247,861)</u>	<u>(\$8,890,764)</u>
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FISCAL IMPACT - Local Government

FY 2003  
(10 Mo.)

FY 2004

FY 2005

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

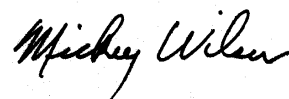
DESCRIPTION

This proposal would provide for a minimum foster care reimbursement rate equal to the cost of housing a minimum security inmate. The cost is to be increased over the course of five years starting in Fiscal Year 2004.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections  
Department of Social Services



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February 12, 2002